



Client Operations and Advisory Directorate - Air Force Program Review

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Overview



- Mission
- DFAS Transformation
- Business Model
- Structure/Staffing
- Accomplishments/Issues/Initiatives
- Limestone Structure/Staffing
- JPPSO Payment Issues
- DFAS Actions

Mission



- Serve as a “Trusted Advisor” to MAJCOM Comptroller
- Facilitate continual innovation in support of the client’s decision making and problem solving through communication, collaboration, and analysis.
- Support DFAS Operations and the agency Balanced Scorecard

The DFAS Vision - Transformation



- Transforming today to be the trusted financial partner for tomorrow's warfighter
- Transformation includes all aspects of DFAS
 - ✓ Processes
 - ✓ Structure
 - ✓ Technology
 - ✓ People
 - ✓ Information
- Transformation initiatives affect our organization structure

Transforming the DFAS organization



- **What are we doing?**
- **Why are we doing this?**
- **Why now?**
- **How are we doing this?**
- **How will we manage the transition?**

What are we doing?



- Designing & Building the DFAS Organization Structure for the Future
 - ✓ Move into the recent Agency reorganization
 - ✓ Apply lessons learned from other DFAS initiatives
 - Most Efficient Organization (MEO) structures
 - Position management reviews of existing structures
 - Compensation survey results
 - ✓ Implement HPO Structures
 - ✓ Apply position management standards to the Agency's structure
 - Supervisor-to-employee ratios
 - Standardize full performance levels for positions regardless of location
 - Build standard organizations across DFAS at enduring sites

Why are we doing this?



- Recognize organizational impacts of transformation initiatives
- Correct inconsistencies in structures, positions and grades
- Maintain a competitive advantage
 - Establish an organization to meet future competitive sourcing challenges
 - Leverage a 'lean & balanced' DFAS organization, to obtain competitive sourcing credit
- Enhance DFAS' value to our customers
 - "Lean" structure reduces our cost of doing business
 - Customer funds not spent on DFAS can be applied to the warfighters

Why do this now?



- Managing BRAC growth at enduring sites and DFAS-wide personnel losses can mitigate some of the effects of moving to the 'lean & balanced' structure
- Hiring at enduring sites can be made at the proper level
- Acting now reduces the impact on people expected from future transformation initiatives
- The DFAS organization structure we establish in FY 2007 must include known changes driven by our transformation initiatives

How are we doing this?



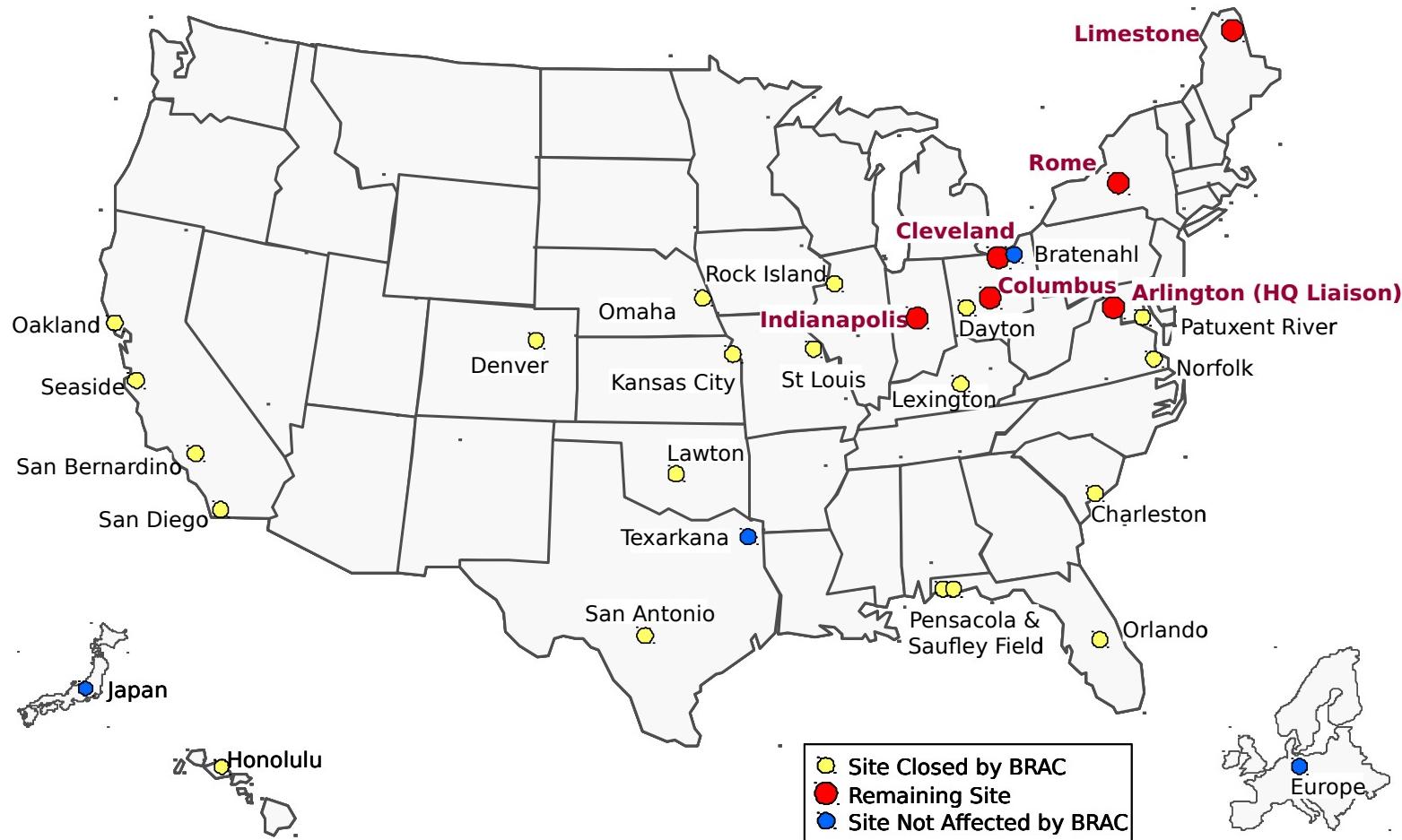
- By identifying the 'full performance level' of work for producing DFAS products and services
- By consistently applying position management criteria for like positions and like work
- By building organizations from the bottom up, vice from the top down
- By eliminating unnecessary layers in organizational structures throughout DFAS
- By increasing our employee-to-supervisor ratios

Managing the transition to the new structure ...



- Build Transition Plans for each major organization at enduring sites.
- Use a well-defined placement process to ensure consistency of actions to place individuals into target structures:
 - ✓ Mobility lists from closing sites.
 - ✓ Placement Assistance Lists (PAL) at enduring sites.
 - ✓ Personnel Utilization Boards (PUB) facilitate placements across organizations.
 - ✓ Regular recruitment procedures.
 - ✓ Exceptions made only by the Agency Deputy Directors.
- Move to new grades and series based on business requirements and events.
- Use re-structure VSIP/VERA offers at enduring sites as appropriate, to re-shape the workforce.

Geographical Impact 2005 BRAC Law



¹ FTEs effective EOM August 2005 (Geographic Location Report, Military Personnel Report)

FY2009 End State - Operations Highlights



Cleveland
Navy Field Accounting
Marine Corps Field Accounting
Navy/Marine Corps
Active & Reserve Pay
Disbursing
Civilian Pay
Corporate Organizations
Strategic Business Mgmt

Centers of Excellence Cleveland

Retired and Annuitant Pay
Garnishments

Columbus
Air Force Field Accounting
Defense Agencies Accounting
Disbursing
Corporate Organizations
Strategic Business Mgmt

Center of Excellence Columbus

Acquisition Accounting
including Contract Pay

Indianapolis
Amy Field Accounting
Classified Accounting
Corporate Accounting
Disbursing
Amy/Air Force Active & Reserve Pay
Trust Fund Accounting
Civilian Pay
Transportation Payments
Travel Pay
Out of Service Debt
Corporate Organizations
Strategic Business Mgmt

Center of Excellence Indianapolis

Security Assistance Accounting

Limestone
Air Force Field Accounting
Administrative Services

Center of Excellence Limestone

Transportation Working
Capital Fund Accounting

Rome
Army Field Accounting
Administrative Services

Centers of Excellence Rome

Medical Accounting
Special Ops Accounting

NOTES:

1. Backup for Travel Pay will reside in Columbus until DTS is fully implemented
2. Arlington Liaison, Bratenahl, Texarkana and OCONUS locations also continue mission operations

DFAS Transformation Outcomes

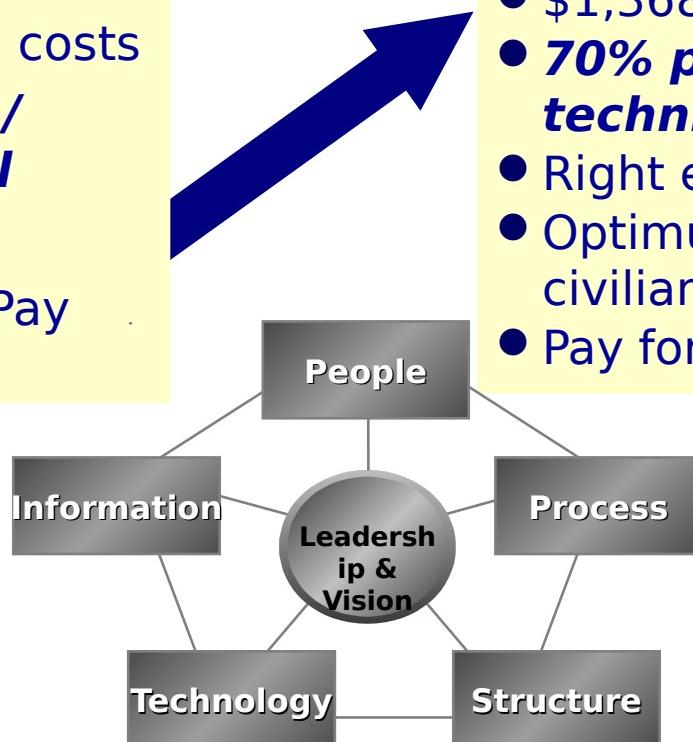


FY 2005

- 30 locations
- 13,879 employees
- 92 systems
- \$1,615M operating costs
- **70% technicians / 30% professional**
- Aging workforce
- General Schedule Pay System

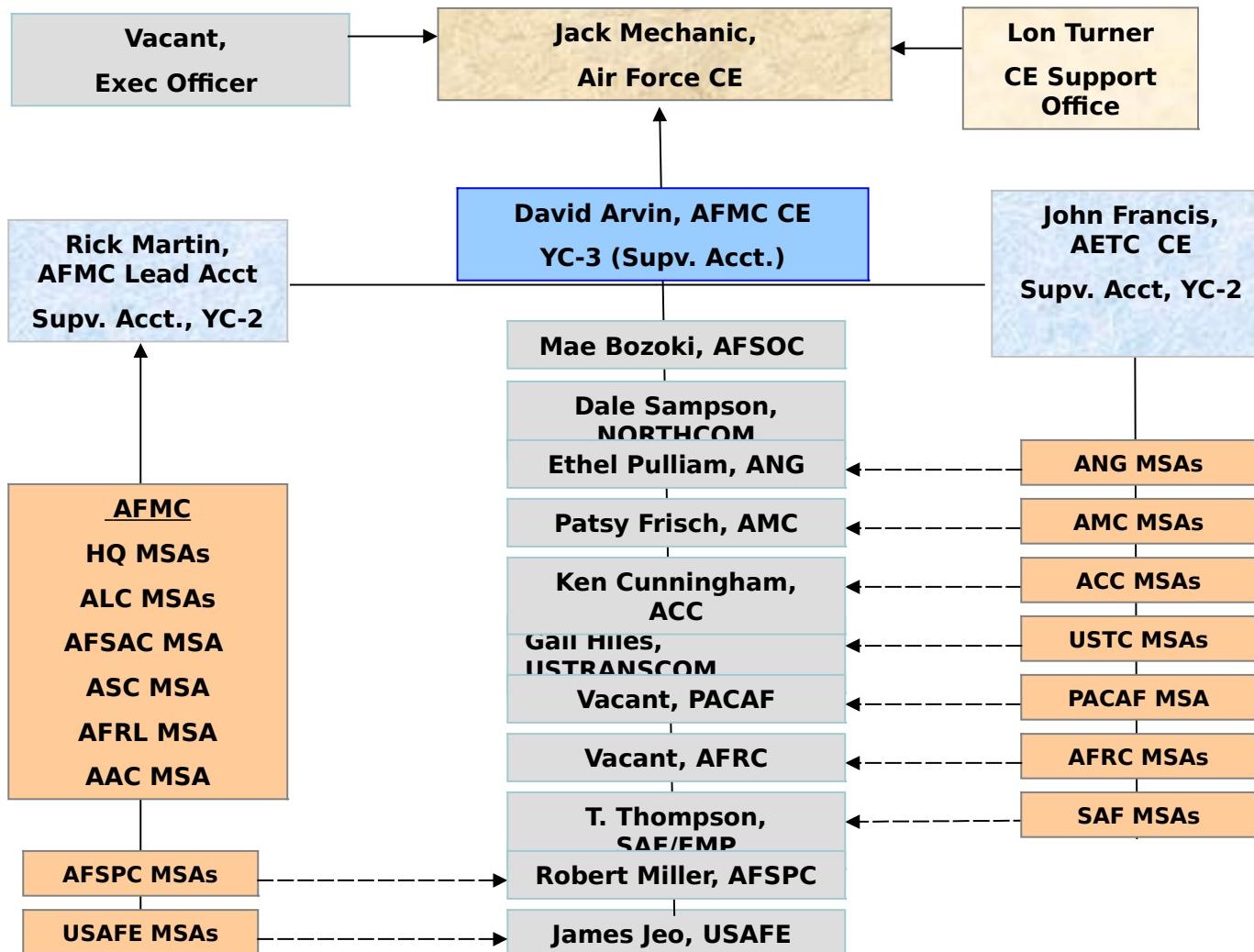
FY 2011

- Fewer locations: 10
- 9,915 employees
- 18 systems
- \$1,368M operating costs
- **70% professional / 30% technicians**
- Right employees with right skills
- Optimum number and mix of civilians/contractors
- Pay for performance under NSPS



- All work is supported by Memoranda of Agreement
- Annual Business Plans
- Return on Investment
- Balanced Scorecard items in NSPS Performance Plans

Air Force Client Executive Structure



DFAS Point of Contact



- John Francis
- AETC Command Client Executive
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Major Accomplishments in FY 2006-2007



- Two-Year growth of 23 in number of MSAs
 - ✓ MOCAS Contract Closeout Initiative
 - ✓ Additional Role at Air Force Accounting and Finance Office (AFAFO)
 - ✓ Additional Planned MSAs at AFSPC and USTRANSCOM
- Resolved Erroneous Accounts Payable
- USAFE Customer Service
- Successful FY 2006 Closeout
- Developed innovative tools and proliferating use across Air Force – enhance and simplify financial management workload for client
- Key communicator of DFAS Transformation and BRAC efforts

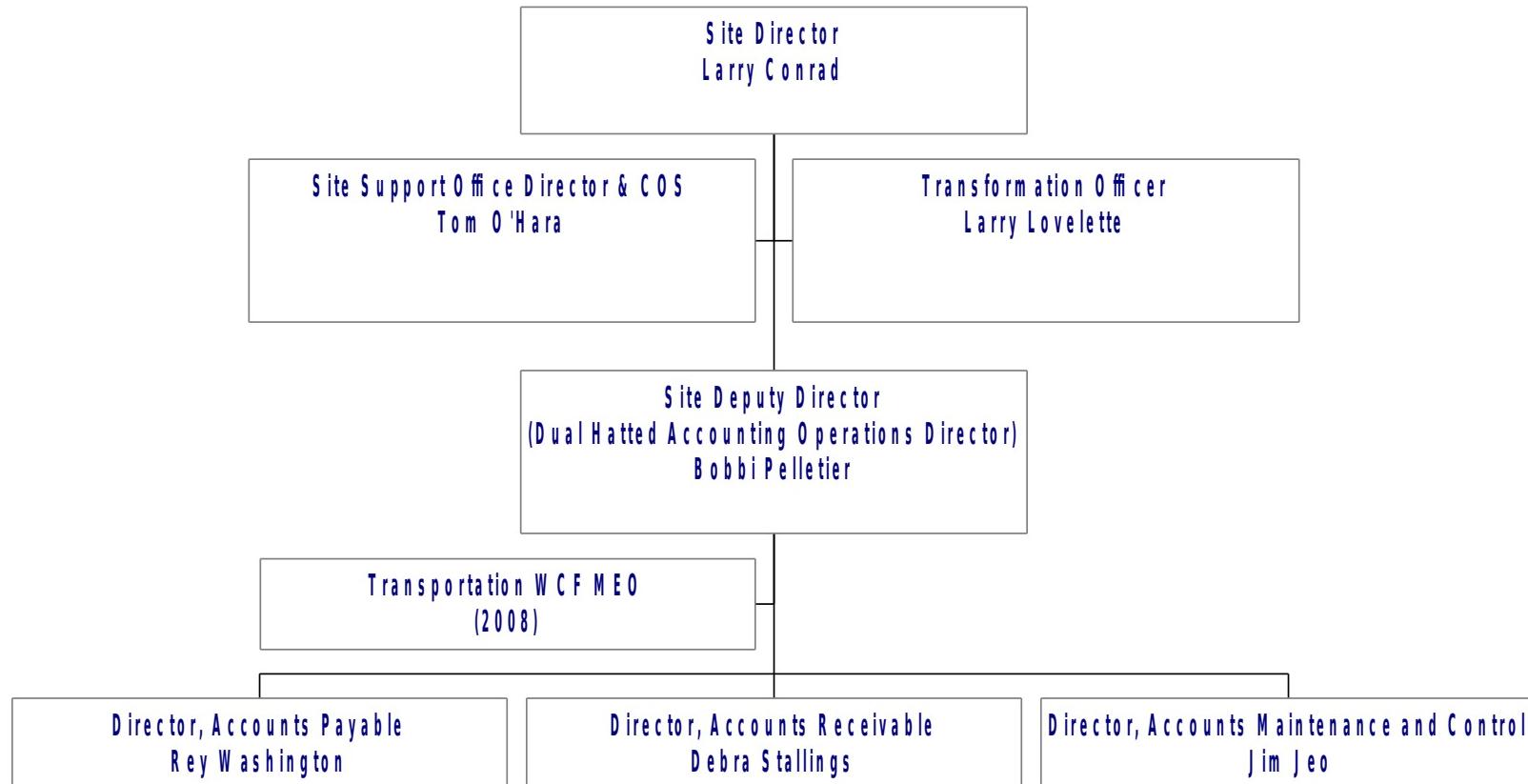
Major Initiatives for FY 2007-2008



- Support USAF Transformation Efforts
 - ✓ Define and implement Financial Services Transformation, and establish AF Financial Services Center (AFFSC) at Ellsworth AFB
 - Assist with “Cutover” – resolve specific outstanding issues for bases before workload moves to AFFSC
 - Define permanent role and/or presence at AFFSC
 - ✓ Helping USAF define MSA role in future MAJCOM FMF
- Implement DTIM-MF
- Support DEAR Implementation
- Achieve Interest Reduction Goals in FY 2007
 - ✓ Each MAJCOM Command Client Executive to establish interest reduction goal for FY 2007 and achieve actions to accomplish
- Depot Maintenance Journal Voucher Improvement

Actions

DFAS Limestone Organizational Structure



DFAS Limestone Personnel Statistics



- 473 personnel at Limestone today
 - ✓ 62 in Accounts Receivable
 - ✓ 302 in Accounts Payable
 - ✓ 65 in Accounts Maintenance and Control
 - ✓ 44 in Front Office/Site Support Office
 - ✓ 58 accountants, 394 technicians, 21 other series
 - ✓ 85% have some college, 50% with associates degree or higher
- Command & control of Accounting & Vendor Pay employees at DFAS Omaha
 - ✓ 80 in Accounting
 - ✓ 87 in Vendor Pay
- Shared command & control of AF support staff at DFAS Pacific
- Employees are professional, dedicated, hard working, well-educated, well trained, innovative, & involved



- Long-standing issues with delayed payments
- DFAS San Antonio closure added to problems
 - ✓ Transfer of function and workload to Limestone oversights
- Invoices
 - ✓ Misrouted
 - ✓ Lost
- Customer frustration high/unacceptable
- Received call from Col Kinney for help
 - ✓ Visited their office and met the JPPSO team
 - ✓ Listened to their concerns
 - ✓ Obtained faxes and emails of documented problem payments



- Immediately contacted and engaged the Limestone Ombudsman (Jeremy Swisher)
- Sent email and called the Accounts Payable Chief
- Set suspense dates for answers to the data I provided
- Chair weekly teleconferences with DFAS & JPPSO to discuss payment status, updates on revitalized efforts to permanently correct weaknesses in payment process
- Backfill Col Kinney



- Jeremy took the lead in ensuring the data I provided was distributed to the proper office
- He was/is my person on the ground to bird dog required processing tasks
 - ✓ Very good progress has been made but we can't claim victory yet
- He has compiled a list of items that will help/aid DFS in processing invoices faster and accurately
 - ✓ All Handling In and Handling Out require members' orders
 - ✓ Errors in the lines of accounting need to be returned to TMO
 - ✓ TMO is required to bring to Finance for corrections
 - ✓ Insure that invoices are submitted to the proper payment office
 - ✓ Do not submit duplicate invoices
 - ✓ Properly date stamped invoices are required

Summary



- Important for the Client to be happy with our service
- Business model incorporates agency goals
- Growth consistent with DFAS transformation effort
- Making a difference in numerous areas creating value for our client